

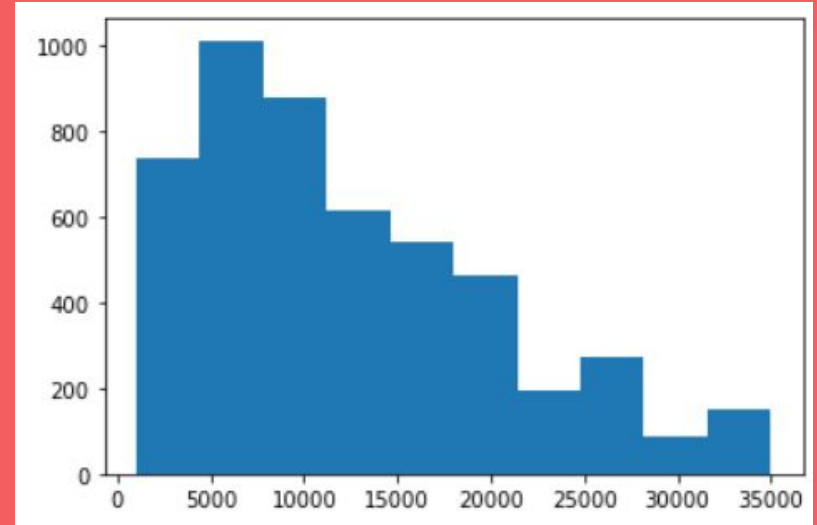
A large red square with a white border, centered on a white background. Inside the square, the text "Lending Club Case Study" is written in white.

Lending Club Case Study

Profile of defaulter's loans

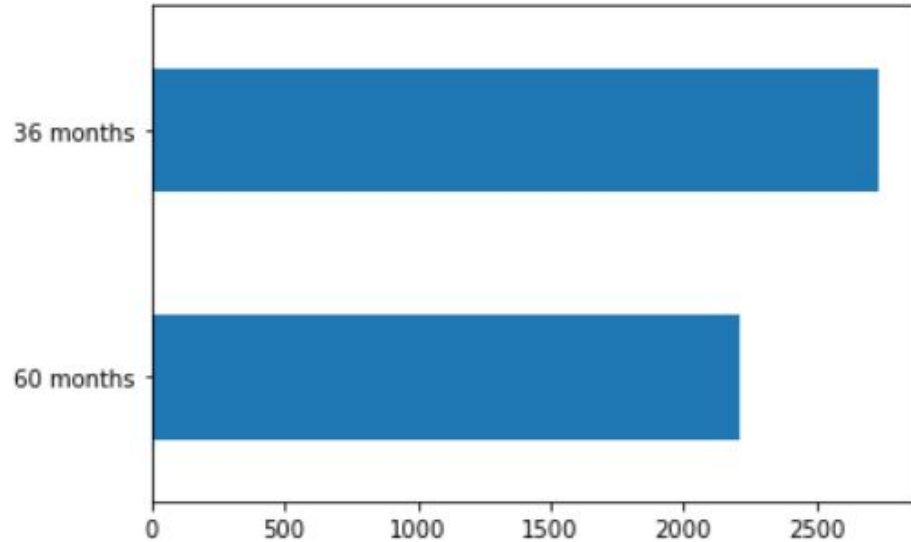
Loan amount

Majority of defaulters have a loan amount ranging from \$5,000-\$10,000



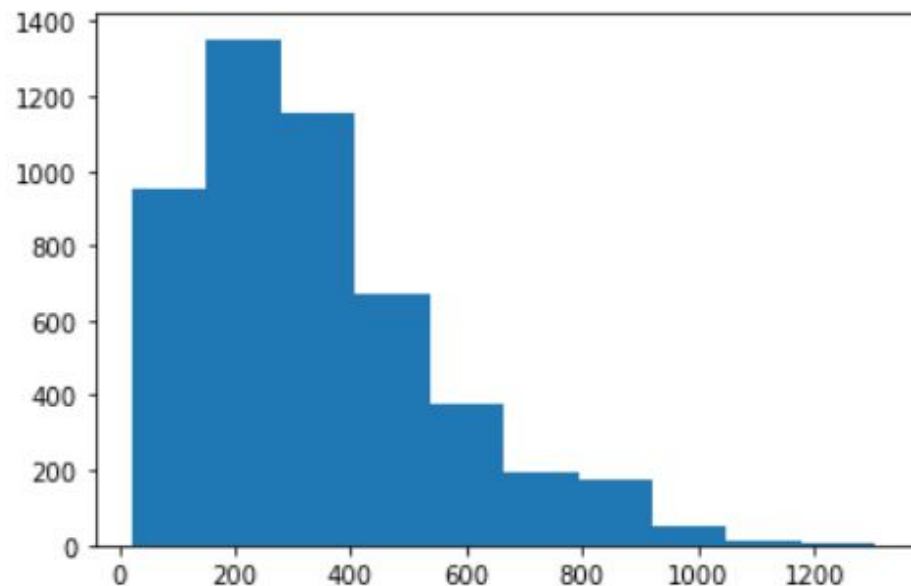
Loan term

Majority of defaulters' terms are either 36 or 60 months



Loan installments

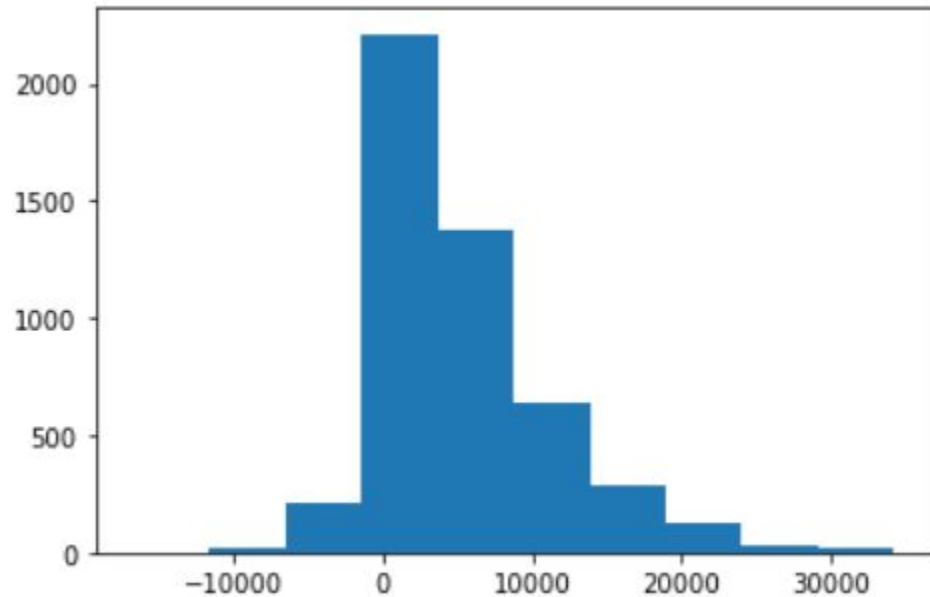
Majority of defaulters pay their
installments below \$500



Loan Balance

Majority of defaulter's have a balance of 0 - 5,000

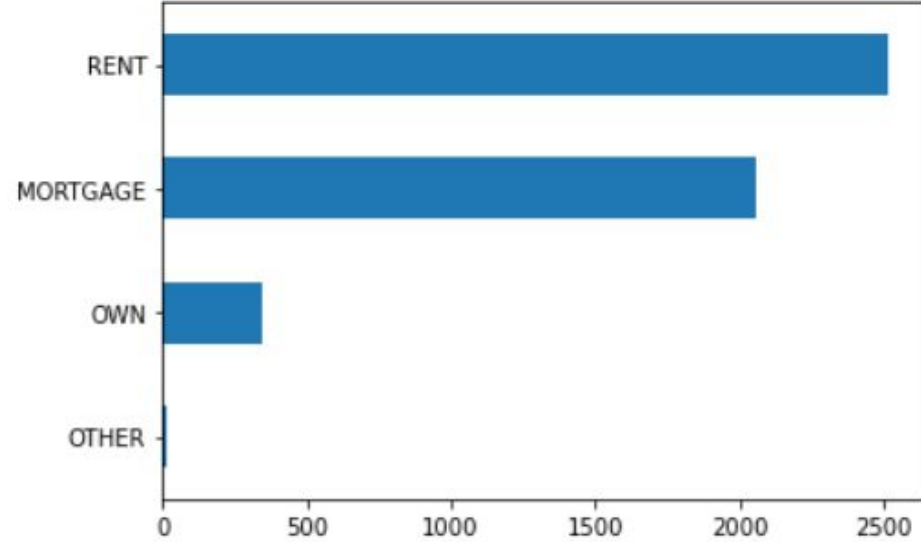
Accepting risky applicants will likely default with a loan balance of below \$5000



Profile of defaulter's

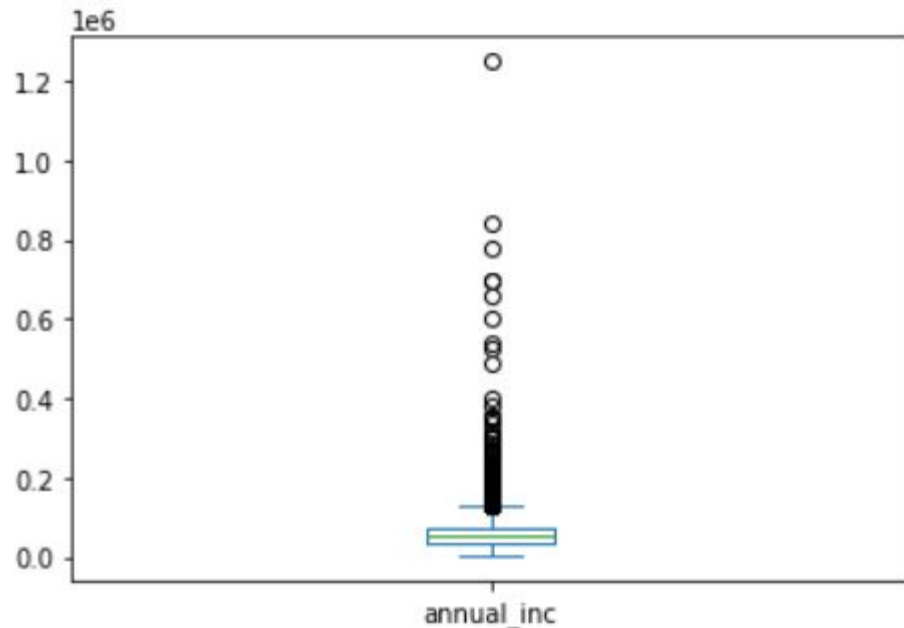
Home Ownership

Majority of defaulters rent or have mortgages in their homes



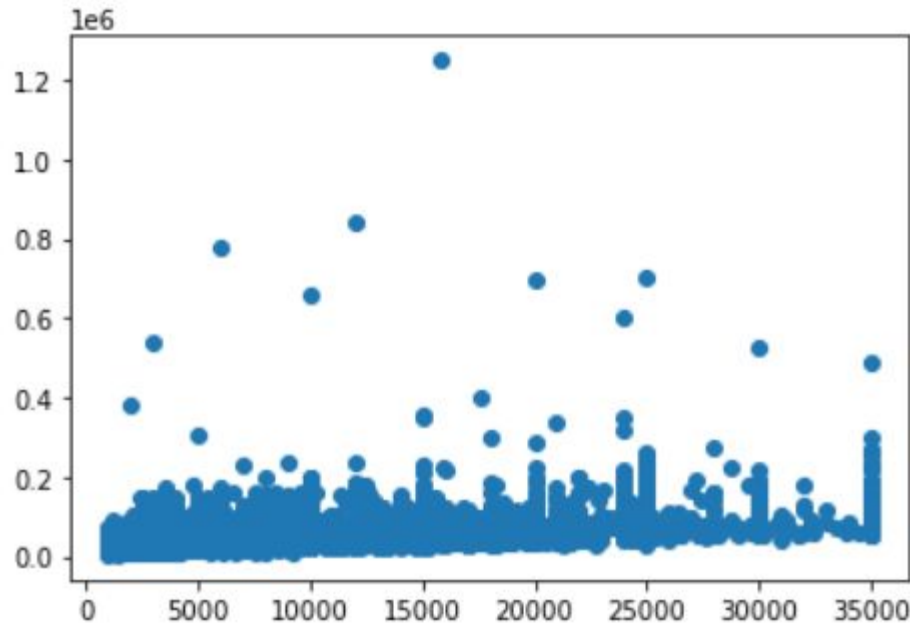
Their annual income

Majority of defaulter's annual income is between 200,000 - 400,000



Additional Finding

This scatterplot proves that Annual income is not a driving factor for them to increase their loans.



Conclusion:

Loan amount + term + installments + loan balance + home ownership + annual income = how likely applicant will default on their loan

If the applicant has this factors:

Loan (\$5,000-\$10,000) + term (36 or 60 months) + installment (below \$500) + loan balance (below \$5000) + Home ownership (rented or mortgages) + annual income (200,000 - 400,000) = likely to default